

**INSTRUCTIONS *for***  
**10% Set-Aside Activities (Not applicable to Colonias)**  
**&**  
**Planning Activities (for Colonias Only)**

**A. ACTIVITY DESCRIPTION**

*Complete one set of forms for EACH proposed 10% set-aside activity.*

1. Please indicate which activity you are applying for.

**10% Set-Aside (not applicable for Colonias)**

Applicants must document and demonstrate that each proposed activity is CDBG-eligible, one of the allowed activities stated in the NOFA, and meets the national objective of principally benefiting low income persons/households (targeted income group benefit) **or** serves to eliminate slums or blight in targeted areas. Each national objective has its own set of instructions and application page(s) to be completed. There is no limit on the number of activities you can propose under the 10% set-aside. All activities proposed under the two different national objectives must be completed within the term of the grant contract and all funds (CDBG and any local program income committed) must be spent prior to contract expiration date.

Any proposed 10% set-aside activity(ies) will NOT be competitively rated.

The following expenditures are not allowable under the 10% set-aside:

- 1) General Administration; 2) Planning Studies; 3) Activity Delivery for another activity

**Planning Activity (for Colonias ONLY).**

Applicants must document and demonstrate that the proposed activity is CDBG-eligible and principally benefits the targeted income group. In addition, the planning activity must benefit an eligible designated Colonia.

The following expenditures are not allowable under the planning activity:

- 1) General Administration; 2) Activity Delivery for another activity
2. Provide a narrative description of the proposed CDBG-eligible activity with full scope of work and budget.

**B. TARGETED INCOME GROUP (TIG) BENEFIT**

1. Identify the percentage of households benefiting from the proposed activity who are TIG households.
2. Identify how the TIG percentage was determined. Check all that apply.

Note: You are not required to have done a survey to establish benefit under this activity, but if you did do a survey, attach a copy of the survey and the survey results.

3. If you indicated that a survey was done, please complete the attached chart providing survey information.

Please refer to Appendix A for guidance on conducting surveys.

**ACTIVITY DESCRIPTION**  
**10% Set-Aside (not applicable to Colonias)**  
**Or**  
**Planning Activity (for Colonias ONLY)**

**A. ACTIVITY DESCRIPTION**

1. What activity are you proposing?

☐ 10% Set-Aside (not applicable to Colonias)

☐ Planning Activity (for Colonias ONLY) - Identify Colonia(s):

- \_\_\_\_\_

\_\_\_\_\_

2. Describe the eligible CDBG activity.

**TIG BENEFIT**  
**10% Set-Aside (not applicable to Colonias)**  
**Or**  
**Planning Activity (for Colonias ONLY)**

**B. TARGETED INCOME GROUP (TIG) BENEFIT**

1. Enter the percentage of households benefiting from this proposed activity who are TIG households. \_\_\_\_\_ %

2. How was the TIG percentage determined?

☐ Income Restriction

☐ Income survey of EXISTING beneficiaries. (attach survey & results)

☐ Income survey of POTENTIAL beneficiaries. (attach survey & results)

☐ Census Data

☐ Other. Explain: \_\_\_\_\_

3. If you did a survey, you are required to submit a copy of the survey and a summary of the results.

Indicate the page number where this documentation is provided: **PAGE:** \_\_\_\_\_

Survey Date:	
Total # of <b>existing</b> beneficiaries: (Universe)	
<input type="checkbox"/> Households? OR <input type="checkbox"/> Persons?	
<b>How many were surveyed?</b>	
How many responses were required per survey methodology shown in Appendix A?	
<b>Total number of responses RECEIVED:</b>	
<i>Number of TIG responses:</i>	
<i>Number of Non-TIG responses:</i>	

\_\_\_\_\_ % TIG

**INSTRUCTIONS for  
10% Set-Aside Activities under the National Objective of  
Elimination of Slums or Blight**

**INSTRUCTIONS:**

The two eligible activities allowed under this 10% set-aside must be conducted such that they will clearly eliminate objectively determinable signs of slums or blight in a defined *Slum or Blighted Area*. The proper activity page must be fully completed and the necessary documentation must be submitted in order for a grantee to be awarded these funds. As with other open grant activities, applicants may commit local program income to these eligible activities. Any program income committed to these eligible activities must be approved by the jurisdiction's governing body via resolution and must be spent during the term of the grant contract.

**WHY ALLOW ACTIVITIES UNDER ELIMINATION OF SLUMS OR BLIGHT?**

For the 2005 funding cycle, the State CDBG general allocation program will allow grantees to apply for two activities which will be qualified under the national objective of "elimination of slums or blight". Until now, the general allocation program has only funded activities under the national objective of assisting low income households/persons, or target income group (TIG) households and persons. By allowing grantees to propose these two activities under the elimination of slums or blight national objective, the state is giving greater flexibility to local.

With sufficient documentation of blighted conditions, these programs can be funded in communities which could not fund them using the TIG benefit national objective. For example, a code enforcement program is only eligible if a grantee has a TIG benefit of 51% throughout its jurisdiction. Most grantees do not have this high level of TIG households so they could not use their CDBG funds for code enforcement activity. Furthermore, commercial façade improvement programs could be funded under the State CDBG economic development (ED) program. If funded under the ED program, then the business in the commercial space receiving the façade improvement would need to create jobs for low income persons to meet the TIG national objective. No jobs need to be created when using the elimination of slums or blight national objective to fund commercial façade improvements. By allowing grantees to use 10% set-aside funds and local program income under the elimination of slums or blight national objective, then a greater number of grantees can carry out code enforcement and commercial façade improvement programs and revitalize blighted areas of their community.

1. Please check which activity(ies) you are applying for: code enforcement program and/or a façade improvement program for commercial buildings. Provide a narrative description of the proposed activity(ies). The description must include the total cost of the activity over the term of the contract.

Note: Applicant's can use the grant's general administration funds to pay for NEPA review or other eligible general administration expenses required for the 10% set-aside activities.

**INSTRUCTIONS *for***  
**10% Set-Aside Activities under the National Objective of**  
**Elimination of Slums or Blight**

Describe who will be conducting the activity (will existing jurisdiction staff be used or, will new staff be hired, or will outside consultants be hired, or will a non-profit be used under a sub-recipient agreement). A description of the steps involved in implementing the activity from identifying a project under the program to closing out the project. For commercial façade improvement programs, describe the financing to be made available with maximum project costs and type of improvements to be made (specific program guidelines will not be required but are recommended).

As part of describing the programs being proposed, all compliance with federal overlays must be addressed. For example, work on commercial properties triggers Davis Bacon prevailing wage requirements. Working on historic properties or in historic districts will require consultation with state and local historic preservation agencies.

Most important, describe in detail how the proposed activities will eliminate the current blighted conditions and give a quantifiable amount for the results, i.e., 25 buildings will be red tagged using code enforcement or 15 buildings will receive façade improvements.

## **2. DOCUMENTATION OF SLUMS OR BLIGHT**

If a grantee wants to carry out one or both of these activities under the elimination of slums or blight national objective, then documentation of the blighted area must be provided. Some grantees may have an existing redevelopment area which has been designated by the local governing body as blighted. This redevelopment area would currently meet the definition of area slums or blight. Some grantees may have areas of slums or blight but have no redevelopment areas, and in these cases the grantee must provide documentation to the state that the identified areas are blighted. Once the proper documentation is received (documentation of the redevelopment area or survey of area's blighted conditions) and approved by the state, then that area can have one or both of the proposed activities provided.

Surveys to document slum or blighted conditions will need to be conducted for the area in consideration. The applicant can use the exterior conditions survey form in the current CDBG grant management manual, chapter 16, page 16-25 & 16-26, as a sample. It is recommended that each building in the proposed area be surveyed. In order to meet the definition of "substandard" a structure under the survey must score 40 points or higher.

Once the survey is completed and the data tabulated then the percentage of substandard units can be determined. In order to qualify as an area of slum or blight, per HUD's definition, at least 25% of the structures in the area must be substandard. The results of the survey and map of the specific area of blight must then be submitted to the jurisdiction's governing body for review and approval. Once approved by the governing body, then the survey form and tabulated survey data along with the resolution from the governing body must be submitted to state staff for review and approval.

**- Appendix H –  
Sample Census Tables**

At this time, the State CDBG program is allowing two activities to be conducted under this national objective for the 10% set-aside. Please complete this form and provide the necessary documentation, as indicated below, immediately following this form.

**1. Activity:** *(check one or both)*

\_\_\_\_\_ Code enforcement program

\_\_\_\_\_ Façade improvement program for commercial buildings

**a. Activity Narrative:** Code enforcement program (see instructions):

**b. Activity Narrative:** Façade improvement program (see instructions):

**2. Documentation of Area Slum or Blight:** *(check one only)*

\_\_\_ The area is a formally designated redevelopment area,

For a redevelopment area, attach a copy of the resolution from governing body establishing the area and a map of the actual area.

**OR**

\_\_\_ The area will be designated by the grantee and meets the definition of a slum or blighted, deteriorated or deteriorating area under State law.

For a future area designation, grantee must provide the survey documentation (see instructions) and resolution from the governing body which proves the designated area is blighted and has been officially acknowledged as such.